

107TH CONGRESS
2D SESSION

H. CON. RES. 300

Expressing the sense of Congress regarding the economic collapse of Enron Corporation.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 2002

Ms. JACKSON-LEE of Texas submitted the following concurrent resolution;
which was referred to the Committee on Education and the Workforce

CONCURRENT RESOLUTION

Expressing the sense of Congress regarding the economic collapse of Enron Corporation.

Whereas the economic collapse of Enron Corporation caused the layoff of thousands of employees and devastated the retirement savings of many of the company's employees and retirees who were invested in the company's retirement plan, which qualified for favorable tax treatment under section 401(k) of the Internal Revenue Code of 1986;

Whereas employees who participated in the company's section 401(k) retirement plan received matching contributions from the company in the form of Enron stock;

Whereas the company's executives allegedly engaged in extensive selling of Enron stock prior to the company's collapse;

Whereas those executives allegedly failed to alert company employees participating in the company's section 401(k) retirement plan of the reasons that the executives were extensively selling Enron stock;

Whereas allegedly the company's public financial disclosures were insufficiently transparent to allow outside analysts to give an accurate opinion regarding the value of Enron stock;

Whereas the inadequacy of those financial disclosures allegedly resulted in inflated ratings by analysts of Enron stock;

Whereas allegedly even after the sudden resignation or dismissal of top executives at the company, the financial firms that were underwriters of the company were slow to downgrade their ratings for Enron stock;

Whereas during late October and November of 2001, the financial firms that were advising the company with respect to a potential merger, and who stood to earn large fees from such a transaction, maintained positive ratings for Enron stock;

Whereas days before the company filed for bankruptcy, the company's auditing firm, allegedly instructed its employees to destroy most of their documents related to the company;

Whereas Congress has a responsibility to act to protect investors, workers, innocent victims, including children and families, and the independence of financial analysts and auditors; and

Whereas Congress should act with all deliberate speed and diligence to protect the people of the United States and

the integrity of the employment and retirement systems:
Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
2 *concurring),*

3 **SECTION 1. SHORT TITLE.**

4 This resolution may be cited as the “Employees and
5 Retirees Restoration and Assistance Resolution of 2002”.

6 **SEC. 2. SENSE OF CONGRESS.**

7 It is the sense of Congress that—

8 (1) a timely and thorough investigation should
9 be undertaken into the alleged wrongdoings related
10 to the economic collapse of Enron Corporation;

11 (2) any person, including any auditor, financial
12 analyst, Enron executive, accounting company, or
13 other company or partnership, who is found to have
14 illegally withheld information or disseminated mis-
15 leading information regarding Enron’s financial con-
16 dition should fully compensate the company’s em-
17 ployees who participated in the company’s section
18 401(k) retirement plan for any losses suffered by
19 such employees as a result of such illegal conduct;
20 and

21 (3) every effort should be made to provide fi-
22 nancial assistance to the workers laid off as a result
23 of Enron’s economic collapse.

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